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**COUNSEL FOR LMREC CDO II REO I, Inc.**

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

IN RE:	§	Chapter 11
	§	
Green 126 LP, <i>et al.</i> ,	§	Case No. 08-36470
	§	
Debtors	§	<b>(Jointly Administered)</b>

**AGREED STIPULATION REGARDING PAYMENT OF INSURANCE PREMIUM**

WHEREAS LMREC CDO II REO I, Inc. (“Legg Mason”), a secured creditor of Greens 126, L.P., Oaks 198, L.P. and Trails 240, L.P. (collectively, the “Debtors”), Debtors in the above-referenced jointly-administered cases (the “Bankruptcy Cases”), has agreed to pay \$27,395.43 (the “Insurance Premium”) in connection with that certain outstanding general property insurance premium effective as of April 11, 2008 and due and owing as of the 4<sup>th</sup> day of November, 2008;

IT IS THEREFORE STIPULATED that Legg Mason will pay directly to Business Insurance Group in Houston, Texas, the \$27,295.43 Insurance Premium (customer no. 42771);

IT IS FURTHER STIPULATED that Debtors authorize Legg Mason to pay any such Insurance Premium with funds held by Legg Mason in that certain tax reserve (the “Tax Reserve”);

IT IS FURTHER STIPULATED that the certain unearned insurance premium refund in the approximate amount of \$70,466.99 by Mid-Continental Insurance Agency, Inc. and currently held by Mid-Continental Insurance Agency, Inc. (the “Unearned Premium Refund”), is to be paid directly to Legg Mason to be applied in the following manner:

1. \$47,152.66<sup>1, 2</sup> to Legg Mason as reimbursement for premiums paid by Legg Mason on the existing forced-placed flood insurance policies in place and purchased for an annual premium of \$215,134.00 (the Existing Forced-Placed Flood Insurance Policies (i) are for the policy period September 12, 2008 to September 12, 2009, (ii) name Trails 240, LP, Oaks 198, LP, Green 126, LP and insureds, and (iii) consist of the following policy numbers: 6010143181, 6010143182, 6010143186, 6010143189, 6010143192, 6010143197, 6010143203, 6010143206, 6010143212, 6010143218, 6010143227, 6010143230, 6010143231, 6010143233, 6010143235, 6010143239, 6010143240, 6010143232, 6010143234, 6010143236, 6010143238, 6010143241, 6010143242, 6010143180, 6010143183, 6010143187, 6010143191,

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<sup>1</sup> Should it be determined that any of the Debtors’ Properties, as defined below, had and continue to have flood insurance in place at the time Existing Forced-Placed Flood Insurance Policies are in effect, Legg Mason will use reasonable efforts to pursue any refund it or the Debtors are legally entitled to under law or contract and will apply any such refund procured to Debtors’ insurance and tax reserves maintained by Legg Mason.

<sup>2</sup> The Existing Forced-Placed Flood Insurance Policies will run effective from September 12, 2008 through November 30, 2008. Should Legg Mason manage to cancel the Existing Forced-Placed Flood Insurance Policies prior to November 30, 2008, Legg Mason will apply the difference of \$47,152.66 and the reduced amount to the insurance and tax reserves maintained by Legg Mason.

6010143196, 6010143202, 6010143205, 6010143210, 6010143216, 6010143223, 6010143225, 6010143229).

2. \$15,478.00 to reimburse Legg Mason for the annual premium on the forced-placed flood insurance policies (the “New Forced-Placed Flood Insurance Policies”) for the Debtors’ real property commonly referred to as 5454 West Gulf Bank, Houston, TX 77088, 5350 West Gulf Bank, Houston, TX 77088 and 5300 West Gulf Bank, Houston, TX 77088 (collectively, the “Properties”);
3. \$7,836.33 to replenish those funds taken from the Tax Reserve to pay the Insurance Premium.

IT IS FURTHER STIPULATED that Legg Mason waives no rights or claims it may have to include premiums for which Legg Mason has not been fully reimbursed by Debtors in connection with the Old Forced-Placed Flood Insurance Policies in Legg Mason’s claim for indebtedness in these bankruptcy proceedings.

**AGREED:**

**BRITT & CATRETT, P.C.**

By: /s/Michael Louis Catrett  
Marjorie Britt  
Michael Louis Catrett  
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**COUNSEL FOR THE DEBTORS**

**-AND-**

**STUTZMAN, BROMBERG,  
ESSERMAN & PLIFKA,**  
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**COUNSEL FOR LMREC CDO II REO I, Inc.**

**ORDERED THAT THE ABOVE STIPULATION IS APPROVED**

**DATED:** \_\_\_\_\_

\_\_\_\_\_  
**KAREN K. BROWN**  
**UNITED STATES BANKRUPTCY JUDGE**

**AGREED STIPULATION FOR RELIEF FROM AUTOMATIC STAY**

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